

Our mission is to create,
attract and retain jobs
while promoting the State's
vibrant cultural economies.

MARYLAND OF OPPORTUNITY.®

Maryland Department of Business & Economic Development

Annual Report 2012

InvestMaryland Auction

March 15, 2012

“For the first time in our nation’s history, a state has successfully held an online auction to raise funds for a venture capital program. And as a result, Maryland will infuse \$84 million in venture capital into our Innovation Economy to create jobs.” *Governor O’Malley*



Message from the Governor



Dear Friends:

I am pleased to present the 2012 Annual Report for the Maryland Department of Business and Economic Development, which highlights our efforts to create jobs and expand opportunity for all Marylanders.

Here in Maryland, we believe that by making strong choices today, we can better prepare our workforce to compete and win in this global economy. The U.S. Chamber of Commerce ranks Maryland first in the nation for entrepreneurship and innovation. We've raised \$84 million through our historic InvestMaryland initiative to fuel promising start-up companies and position our State as a national leader. And, Maryland is one of only 8 states to earn a Triple A Bond Rating, certified by all three rating agencies.

By working with the Maryland General Assembly we passed InnovateMaryland, which brings State government together with our top research universities to move groundbreaking research out of our university labs and into the commercial marketplace. We understand that in order to maintain the most supportive environment for the next generation of leaders—in medicine, information technology, aerospace, defense and cybersecurity—we must continue to innovate and adapt to this changing world.

I look forward to continuing this important work together.

Sincerely,

A stylized, handwritten signature of Martin O'Malley in black ink.

Martin O'Malley
Governor

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Maryland Department of Business & Economic Development

World Trade Center

401 East Pratt Street, Baltimore, MD 21202

www.ChooseMaryland.org

1.888.ChooseMD

Christian S. Johansson, Secretary

Dominick Murray, Deputy Secretary

Highlights



Harriett Takes the Hill

The Office of Policy and Government Affairs and Office of Tourism Development executed Harriet on the Hill, a grassroots initiative in which more than 100 supporters and descendants of Harriet Ross Tubman ascended upon Capitol Hill to advocate for the passage of S. 247, the “Harriet Tubman National Historical Parks Act” to honor Tubman with a national park.

Agency Awarded \$585,000 Exporting Grant from SBA

The Department was awarded a \$585,000 State Trade and Export Promotion Grant from the U.S. Small Business Administration. The grant increases the number and value of Export MD stipends by providing up to \$10,000 each to small businesses to help them market their products and services overseas.

BRAC 2005 Mission Continues to Grow

Base Realignment and Closure (BRAC) 2005 action was completed by the Department of Defense in September 2011 resulting in 5,759 additional direct BRAC military jobs and over 1,000 indirect defense contractor jobs in FY2012. These jobs contributed a total of 19,090 direct jobs gained by the state since 2005. BRAC activity continues to spur indirect and tertiary job growth including the opening of Wegmans in Abingdon creating over 500 jobs, and the expanding offices of Delta Resources in Millersville.

State Releases Small Business Resource Guide

The Department released its *Small Business Resource Guide* featuring state, federal and other program resources for small businesses. The well received guide offers an overview of myriad programs and processes, including business start-up and development, permits and regulations, access to capital and tax credits.

“Our goal is not only to create assets, but to also make a long standing impact on the State by creating jobs,”
Peter Greenleaf, President of MedImmune and Chairman of InvestMaryland



MD Strengthens Business Ties with India

Governor O'Malley led a successful six-day trade and investment mission to India, joined by a delegation of more than 100 business leaders, educators and elected officials. The group made stops in Hyderabad –India's hub for IT and biotech – and the financial center of Mumbai before wrapping up in the capital of New Delhi. The Governor met with several of India's top companies and witnessed more than \$60 million in signed and announced business deals.

More than 25% of Marylanders Started a Business

The Greater Baltimore Technology Council and DBED released *On Entrepreneurism: A Statewide Survey of Business Owners*, showing that 28% of all Marylanders have owned or operated a business. Key findings indicate 56% of Marylanders have personal experience with business start-ups as a creator, participant or supporter and 47% have been directly involved in a business start-up as a creator or participant.



Maryland Venture Fund Invests in BrainScope®

The Department made an initial investment of \$250,000 through the Maryland Venture Fund in BrainScope® Company Inc., a Bethesda-based medical neurotechnology company developing non-invasive instruments to assess brain function. The funding aids development and clinical trials for a medical device focused on Traumatic Brain Injury and its milder forms known as concussion.

InvestMaryland Moves Forward

Through a historic online auction of premium tax credits to insurance companies, the State raised \$84 million for InvestMaryland, establishing a model for other states looking to raise venture capital. Private venture capital firms will make investments in Maryland seed, early-stage and growth companies with a focus on information technology and life sciences.

Innovate Maryland Unites Researchers and Entrepreneurs

Innovate Maryland, a historic partnership between the State and its world-renowned public and private research universities is a critical piece in the funding pipeline that funnels discoveries from the laboratory to the marketplace with the goal of commercializing 40 discoveries every year. Administered by TEDCO, funding is a combined state contribution allocating \$5 million and JHU, UMB, UMCP, UMBE and Morgan State each contributing \$100,000 to \$200,000.

State's Cyber Profile on Display at RSA

More than 22,000 attendees sampled the latest in IT assurance and security at RSA 2012 in San Francisco. Partners joining the debut of the CyberMaryland display included enterprising firms demonstrating their prowess and university incubators showcasing cutting edge innovation. Representatives from NSA and NIST underscored Maryland's cyber profile, while NIST touted its newest component – The National Cyber Center of Excellence.

DBED Unveils Interactive Property Database

Businesses looking to locate or expand to a new site in Maryland now have a simple one-stop shop to find their ideal location. DBED launched "Maryland Business Properties," a free interactive database containing current information on more than 1,700 commercial and industrial buildings and sites in Maryland. Users can search by property type, location and features and also analyze location demographics, household income, education and workforce.

Baltimore's Maritime Fest Largest in City's History

A parade of more than 40 tall ships and naval vessels from 12 countries sailed into Baltimore June 13 for the Star-Spangled Sailabration. Baltimore was the fourth stop on the six-port city tour of ships along the Eastern seaboard commemorating the Bicentennial of the War of 1812 and had the largest contingent of ships. Vessels representing Brazil, Canada, Colombia, Ecuador, Denmark, Germany, Indonesia, Japan, Mexico, Norway, the United Kingdom and the U.S. docked at the Inner Harbor, Fell's Point, North Locust Point and Tide Point.

Top Energy Innovator Expands to Eastern Shore

Vorbeck Materials Corp., a Howard County-based nanotechnology company, will open a 42,000-square-foot manufacturing facility in Pocomoke City. Located within the Pocomoke-Worcester County Enterprise Zone, Vorbeck received \$650,000 in enterprise equity from DBED and may be eligible for more in its new facility, including the One Maryland Tax Credit and the Job Creation Tax Credit. Vorbeck currently has 23 employees and expects to create 31 jobs over the next 24 months.

Leadership Reflections



The mission of our Department — creating and retaining jobs, supporting businesses large and small, building on our core industry strengths, driving tourism, film and the arts and spurring a culture where entrepreneurship and innovation can thrive — is more

important than ever, as we continue to move Maryland's economy forward and provide our business community with the tools and resources needed to grow.

This year, with the guidance and support of our boards and commissions, our partners in the business community and an aggressive marketing and outreach campaign, we were able to make progress on a number of important programs that chart a solid course for Maryland's future.

One of our greatest accomplishments was securing \$84 million for InvestMaryland, which will not only help seed the start-up companies of today, but create the innovative companies and jobs of tomorrow. We also expanded Maryland's global reach with two historic trade missions to Asia and India, when combined netted more than \$145 million in foreign trade and investment deals for the State and our small businesses.

Continuing to grow our Maryland Made Easy initiative, we rolled out a number of interactive tools to give our businesses greater access to information on our financing deals and available buildings and sites, as well as demographics and other research. Later this year, we are excited to launch the first phase of a central business licensing system that will put state permits, licenses and registrations online for the first time.

We also marked the 10th anniversary of the September 11th tragedy with the unveiling of a unique memorial to the Maryland victims, an effort led by our Division of Tourism, Film and the Arts. The memorial, made from a piece of wreckage from one of the Twin Towers, serves as a place of peace for thousands of visitors from all over the world.

I want to thank you for your hard work this year, as we put in place the kinds of programs and policies that create and retain jobs, position Maryland as leader in the Innovation Economy and signal a brighter future for all Marylanders.

Christian S. Johansson
Secretary

Boards and Commissions

Federal Facilities Advisory Board

Chair, Kevin F. Kelly

Governor's Commission on Small Business

Chair, Ackneil M. Muldrow II

Governor's International Advisory Council

Chair, Harold L. Adams

Maryland Life Sciences Advisory Board

Chair, H. Thomas Watkins

Maryland Advisory Commission on Manufacturing Competitiveness

Chair, Jeff B. Fuchs

Maryland Economic Development Commission

Chair, Steve Dubin

Maryland Public Art Commission

Chair, Catherine Sharp Leggett

Maryland State Arts Council

Chair, William Mandicott

Maryland Tourism Development Board

Chair, Greg Shockley

Maryland Venture Fund Authority

Chair, Peter S. Greenleaf

Maryland War of 1812 Bicentennial Commission

Chair, Raymond A. "Chip" Mason

Moving Maryland's Economy Forward

"Progress is a Choice."

Governor O'Malley

Governor to Lead Trade Mission to Israel and Jordan

Plans are underway for Governor O'Malley to lead a trade mission to Israel and Jordan in the fall. The Governor will meet with various trade and industry officials and tour businesses in Tel Aviv and Jerusalem, including Israel Aerospace Industries, whose subsidiary ELTA North America opened its American headquarters in Howard County in April.

GIS Cooperative Supporting GeoDash Initiative

The Agency has partnered with EDA, the Eastern Shore Regional GIS Cooperative, Salisbury University, Mid Shore Regional Council and the Tri-County Council for the Lower Eastern Shore to fund the GeoDASH Initiative which provides technical assistance to community leaders in matters involving economic development and transportation planning.

BioTech Tax Credit Draws 125 Applicants

Investors seeking a portion of the \$8 million available in FY2013 for the State's popular Biotechnology Investment Incentive Tax Credit submitted more than 125 registrations. Since it was first funded in FY2007, the Biotechnology Investment Incentive Tax Credit program has issued \$40 million in tax credits, assisting more than 60 Maryland biotechnology companies and leveraging more than \$80 million in private investment.

Governor Revives Manufacturing Commission

The revived Maryland Advisory Commission on Manufacturing Competitiveness is charged with advising the Secretary of Business and Economic Development on ways to encourage new and expanding manufacturing enterprises in Maryland. The Commission also recommends ways in which to retrain and educate Maryland workers for manufacturing jobs, support research, and foster the growth and viability of manufacturing enterprises in the State.



Pike & Rose Public-Private Partnership on Track

Pike & Rose, a transit oriented development project in Montgomery County, marks the start of Maryland's first Fast Track approved project. Estimates are the first phase of Pike & Rose will create 550 permanent jobs and yield \$3.7 million in increased tax revenues to the State. At full build out, Pike & Rose will have 1.1 million square-feet of office space, 1.7 million square-feet of residential space and 430,000 square-feet of retail.

CyberMaryland 2012 Showcases Innovation

October 16 and 17, the State will host CyberMaryland 2012, a showcase for industry innovators, cyber pioneers and the next generation of cyber experts. The event is anchored by the CyberMaryland Conference, the 2nd Annual Cyber Challenge & Competition, and the inaugural National Cyber Security Hall of Fame awards. Later this year, DBED is working to release "Cyber 2.0," a follow-up report to the highly acclaimed 2010 *CyberMaryland: Epicenter for Information Security and Innovation*.

Maryland Streamlines New Business Registrations

DBED is leading a multi-agency effort to create a consolidated service that allows new businesses to complete the required business registration process online. Part of the *Maryland Made Easy* initiative, the initial service is scheduled go live in the fall and will ultimately consolidate information from over 5,400 state programs that issue permits, licenses, registrations, certifications and other types of approval to conduct business.

Division of Tourism, Film & The Arts

The Division continues to work on once-in-a-lifetime events that will have an impact on the state's infrastructure and economic health: such as the Bicentennial of the War of 1812, the Sesquicentennial of the Civil War and the Centennial of Harriet Tubman along with the installation and dedication of the 9/11 Memorial of Maryland.



Memorial Honors Marylanders

The 9/11 Memorial of Maryland was dedicated on the plaza of Baltimore's World Trade Center on the 10th anniversary of the terrorist attacks. The design, by local architecture firm Ziger/Snead, honors the 69 Marylanders who lost their lives. The memorial's centerpiece is a 22-foot artifact—three structural-steel columns twisted together—from the collapsed World Trade Center towers; three blocks of limestone from the damaged section of the Pentagon and reflective black granite that symbolizes the heroism of the passengers of Flight 93.



Maryland Lands Star Role in HBO's VEEP

The Maryland's Film Production Credit incentive attracted HBO to film the new comedy series VEEP starring Seinfeld's Julia Louis-Dreyfus in Maryland. The series is estimated to have an economic impact in excess of \$25 million and create more than 2,000 jobs. The Netflix production "House of Cards" is the largest production to ever shoot in Maryland creating an economic impact in excess of \$100 million for the first season.

Sports Marketing Continues Winning Ways

The Office of Sports Marketing played a key role in securing Tottenham v. Liverpool, two English Premier League Clubs, at M&T Bank Stadium and setting a new attendance record for the 2011 Army-Navy Game at FedEx Field. Other wins include the Maryland@Play newsletter and The Resource Center, now available to enhance communication, industry education and future business opportunities. Partners can ascertain RFPs, trends in the industry and National Governing Body/Event Rights Holders Information, and more.

TOURISM MARKETING DELIVERS ECONOMIC IMPACT*

MEDIA BUDGET \$827,095

INCREMENTAL TRIPS GENERATED 211,117

VISITOR SPENDING \$182M

TOURISM JOBS SUPPORTED 1,804

STATE/LOCAL TAX GENERATED \$25.9M

MARYLAND STATE ARTS COUNCIL FY2010

TOTAL ECONOMIC IMPACT GENERATED \$1B

ATTENDANCE AT ARTS EVENTS 7.6M

ARTS INDUSTRY FTE JOBS GENERATED 10,671

STATE AND LOCAL TAXES GENERATED \$36.5M

*CY2011 Advertising and Marketing Research: Strategic Marketing and Research, Inc.



Federal Funding Paves Way for Tubman Visitor Center

An \$8.5 million award from the federal Transportation Enhancement Fund provides the last major piece of funding needed for construction of the \$21 million Harriet Tubman Underground Railroad Visitor Center in Dorchester County. The construction is expected to create 225 local jobs and when completed the Center will directly support 10 full-time employees. Visitation to the park is anticipated to grow to more than 200,000 each year, with a long-term annual economic impact of \$20 million.

Tourism Upswing Propels Visitor Spending in State

Maryland tourists and travelers spent \$13.1 billion on travel expenses in 2010 – a 4.3 percent increase over 2009 – according to a study released by the Maryland Office of Tourism Development, a division of the Maryland Department of Business and Economic Development. The study is based on The Economic Impact of Tourism in Maryland Tourism Satellite Account as reported by Tourism Economics, an Oxford Economics company.

African-American Heritage Travel Guide Debuts

The new *African-American Heritage Travel Guide* lists close to 200 attractions and sites throughout the State that are linked to African-American heritage and culture, telling stories of accomplishments and sacrifices, past and present that have shaped a state and influenced a nation. The 32-page brochure allows readers to navigate through Maryland's African-American experience.

Awards Across the Board

Best Logo of Year for Graphic Design

The Cycle Maryland logo was chosen as one of the 18 best logos of the year for Communication Arts Design Annual and appeared in their November/December 2011 issue.

“Best in Maryland” Award for Public Relations

The Maryland Chapter of the Public Relations Society of America named Stanton Communications a “Best in Maryland” award-winner for superior work on behalf of the State of Maryland's Office of Tourism Development, the Maryland State Arts Council and pro-bono service for the 9/11 Memorial of Maryland.

Civil War Campaign Nets Marketing Award for CRUSA's UK Agency

KBC, the public relations and marketing agency that Capital Region USA (CRUSA) uses in the UK, received a 2012 Travel Marketing Award for its work in promoting Civil War-related tourism in Maryland, Virginia and Washington, D.C. CRUSA is the international marketing arm for the Capital Region.

Baltimore Hosts Global Meeting & Events Giant

Baltimore was at the forefront of the meeting and event-planning industry when AIBTM, also known as Americas Meetings & Events Exhibition, held a three-day event at the Baltimore Convention Center. Produced by London-based Reed Travel Exhibitions, AIBTM was the first show of its kind to be held in the U.S. It joins Reed's portfolio of global-hosted expositions, a roster that includes shows in Asia, Australia, the Persian Gulf and Europe.

VisitMaryland.org Mobile App Ready

In response to the increasing use of smart phones to browse the VisitMaryland.org website, OTD developed a mobile version of VisitMaryland.org that gives smartphone users a mobile-ready site that loads the state's lodging, restaurant, attractions and events quickly.

SemaConnect

Annapolis, Maryland

When Mahi Reddy looks into the future, he sees highways filled with electric vehicles. He wants to be part of what he calls the “clean technology revolution,” and he’s found a way to do it by creating and manufacturing SEMA Connect’s ChargePro™ Electric Vehicle Charging Stations.

A recipient of a \$75,000 award from TEDCO, Reddy is also a winner of the ICE Outstanding Entrepreneur Award.



Division of Business & Enterprise Development

The Division promotes Maryland's economic health by creating, attracting, retaining, and expanding jobs in the State, while touching companies through relocation and retention services, debt and equity programs, tax credits, export assistance, small business counseling, and its commitment to customer service.



VT Industries Selects Western Maryland

VT Industries, a state-of-the-art manufacturer of fine laminate countertops moved operations from Indiana to Hagerstown, Maryland. VT cited Hagerstown's strategic location at the crossroads of two major interstates and proximity to major East Coast metropolitan areas as the top reasons for their choice. The company hired more than 50 local workers and invested approximately \$11 million in the former Kongsberg Automotive plant.

Manufacturing Extension Partnership Working with NIST

The Department began working with the National Institute of Standards and Technology (NIST) to improve the way consulting services are delivered to Maryland's 3,900 manufacturers. Future plans include migration of the Manufacturing Extension Partnership program to a non-

profit structure in order to leverage greater funding from NIST. Long-term benefits will elevate the profile of the manufacturing sector and promote development of new technology-intensive sectors with better growth potential for Maryland.

Jos. A. Bank Expands Carroll County HQ

Jos. A. Bank increased its headquarters adding 120,000 square-feet of space and 100 new jobs to its roster of 700. The state provided a \$500,000 MEDAAF* investment loan to the Hampstead-based men's clothier, one of Carroll County's largest employers. The company ships to customers in over 43 states and over 63 countries around the world.

Cambridge International Hits Century Mark

Cambridge International, the world's largest and oldest manufacturer of metal belting and wire cloth celebrated its 100th anniversary. The Dorchester County company recently expanded adding 30 new employees to its current base of over

200 full-time workers. As part of their recent expansion, Cambridge International improved its facility by investing over \$5 million in building and equipment upgrades.

Eastern Shore Firm Plans to Hire 100 Employees

With the assistance of a \$250,000 MEDAAF* conditional loan, Protenergy Natural Foods acquired the manufacturing assets of FoodSwing and established operations in Cambridge. The Canadian specialty manufacturer plans to expand its Maryland production capacity and hire up to 100 full-time employees in Dorchester County to meet the growing demand for its soups, broths, sauces and gravies.

* Maryland Economic Development Assistance Authority and Fund

Division of Business & Enterprise Development



Pharma Co. Spending \$20M to Triple Shore Space

Announced by Governor O'Malley during the India trade and investment mission, Jubilant Cadista Pharmaceuticals in Wicomico County plans to expand its investment on the Eastern Shore, investing \$20 million to triple its warehouse space and add new jobs. Jubilant Life Sciences' Salisbury branch grew its workforce from 25 in 2005 to 240 in 2011 and increased sales from \$3 million to \$42 million.

Smiths Detection Consolidates Operations in Harford County

UK-based Smiths Detection relocated from Morristown, NJ, expanding their operations at the Lakeside Facility in Harford County. The company in Edgewood employs 250 people and plans to expand major defense security projects including a mobile hospital and shelter for chemical and biological threats. A \$750,000 MEDAAF* conditional loan assisted with the expansion and associated creation of 100 new jobs.

Sheladia Announces Multi-Million Dollar Contracts

As a result of Governor O'Malley's November India mission, Rockville-based Sheladia Associates, Inc., announced a \$3.7 million contract to provide design and project management services for upgrading India's National Highway 215, as well as several others valued at nearly \$11 million. To support these additional projects in India and elsewhere, Sheladia has since hired eight new employees.

FY2012 International Investment and Trade Metrics

The Office of International Investment and Trade engaged more than 500 companies in 49 countries in meetings during international trade missions, trade shows, and other interactions that showcased Maryland as a business location.

Foreign Investment

Corporate Location Decisions	15
New Jobs Created	285

ExportMD Activity

Export Stipends Awarded	38
Increased Exports	\$75M
Increase in Jobs	200

ELTA Creating 100 New High Tech Jobs

ELTA North America, a subsidiary of Israeli defense electronics giant IAI North America, opened in Howard County and plans to create 100 new high technology jobs over the next four years. The subsidiary leverages state-



of-the-art technology from ELTA Systems Ltd., the world's fourth largest radar company. To assist with the project, DBED approved a \$300,000 MEDAAF** conditional loan.

** Maryland Economic Development Assistance Authority and Fund

Three ATR Solar Trackers Take Sail at Port

Local engineering and manufacturing firm Advanced Technology & Research Corp. installed three "tracking" solar units to power two all-electric vehicles at roll-on, roll-off shipping and logistics giant Wallenius Wilhelmsen Logistics' Mid-Atlantic Terminal facility at the Port of Baltimore. ATR is a 38-year-old engineering and manufacturing company based in Columbia, Maryland.

Maryland Developer a Champion for Change

Thibault Manekin founded Seawall Development with his father, Donald, to turn historic buildings into green office space for non-profits and housing for teachers in Baltimore. Current project, Union Wharf Apartments, LLC, received a MEDAAF Brownfields conditional grant for \$275,000 to redevelop 3.73 acres in Fells Point into a \$70 million residential/retail project. Manekin was recently named a White House Champion of Change for his work in the Baltimore community.

Connections Count

Credit Connections Offers Free Webinars

Free webinars on state supported finance programs provided Maryland business owners, chamber of commerce members, bankers and accountants with convenient opportunities to learn about facilitating access to capital. Information was available about financial products and the application process for programs including credit and equity investments, specialty bonds, contracts and guarantees.

Contract Connections Continues Providing Federal Procurement Opportunities

The Office of Military and Federal Affairs (OMFA) hosted two Contract Connections events featuring over 16 federal organizations and 350 Maryland business representatives. In conjunction with the National Security Agency, OMFA organized three contracting forums throughout the state promoting NSA's tech transfer program and opportunities. Over 75 Maryland businesses participated.

Kool Made-in-Maryland Cybersecurity Product

New apps emerging daily coupled with mobile devices all using different operating systems create serious security vulnerabilities for the network. Bethesda-based KoolSpan's TrustChip® – a mobile encryption engine – provides a solution to this problem, protecting devices and the data they carry. KoolSpan received a \$150,000 Enterprise Investment convertible loan.

UK's TMD Technologies Limited Expands Operations

TMD Technologies Limited is among the world's leading manufacturers of microwave tubes, high voltage power supplies, and transmitters for Radar, EW, Communications, EMC RF testing, and other laboratory applications. To more readily meet the growing needs of major U.S. customers the company expanded its British-based operations and set up shop near BWI Airport, employing 10 full time employees.



Division of Business & Enterprise Development

Maryland Firm to Create Tallest Indoor Coaster

Baltimore's Premier Rides is on tap to create the world's tallest indoor roller coaster as part of the Great Mall of China near Beijing. The coaster will be designed and built in Maryland and serve as the signature attraction for what is expected to be the largest shopping mall within the Asia-Pacific region when it opens in 2013.

Vorbeck Team Wins Prestigious R&D 100 Award

Jessup nanotech innovator, Vorbeck Materials, in partnership with Pacific Northwest National Labs and Princeton University, was recognized by R&D Magazine for developing one of the 100 most significant scientific and technological products or advances of the year. The

R&D 100 Award recognizes Vorbeck's breakthrough work to commercialize graphene technology, which will enable greater use of electric vehicles and faster charging consumer electronics.

Understanding the Impact of Federal Activities in Maryland

The Federal Facilities Advisory Board released The Effect of Federal Employment & Spending in Maryland, detailing the significant impact of federal employment and spending in Maryland. The report allows the State to understand how it may be affected by changes in federal spending and priorities in the years ahead.

Employment Created by Federal Spending in Maryland, FY2010 (in thousands)

Spending Type	Direct	Indirect	Induced	Total
Federal Jobs	218.4	–	–	218.4
Resident Employees	–	–	149.2	149.2
Procurement Contracts	171.3	58.4	85.6	315.3
Grants	79.6	18.3	40.2	138.1
Totals	469.4	76.7	275.0	821.1

Sources: Public Use Microdata Sample (PUMS); American Community Survey (ACS); U.S. Census Bureau; U.S. Bureau of Economic Analysis; USASpending.gov; DBED analysis.

ISSUES SUCCESSFULLY RESOLVED

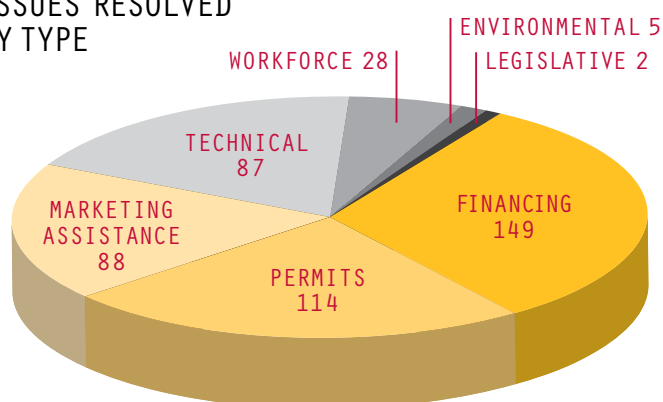
NUMBER OF ISSUES 473

JOBS RETAINED 1,295

JOBS CREATED 1,973

TOTAL JOBS 3,268

ISSUES RESOLVED BY TYPE



FACILITY LOCATION DECISIONS

NUMBER OF PROJECTS 49

JOBS RETAINED 5,049

JOBS CREATED 2,259

TOTAL JOBS 7,308

Bambeco

Baltimore, Maryland

On Earth Day, 2009, e-commerce executives Susan Aplin and Carolyn Wapnick launched Bambeco. The online retailer sells lifestyle accessories and green home furnishings and décor ranging from briefcases made from recycled truck tires to solar-powered tea lanterns. Attracted to the region's incentives for eco-friendly businesses and proximity to the Port of Baltimore, Bambeco has seen more than 1,000 percent year-over-year growth. The Department invested \$300,000 in Bambeco through the Maryland Venture Fund.





Dr. Sara Sukumar

Maryland Biotechnology Center

The Maryland Biotechnology Center connects biotechnology companies, academic and federal researchers with each other and with potential capital sources, partners, and clients. The Center promotes the State's biotechnology industry domestically and abroad and also provides business plan assistance, market research databases, site selection information, and other resources.

BioMaryland Center Awards Two BioMaryland LIFE Prizes

MBC Executive Director Dr. Judy Britz joined Johns Hopkins University and University of Maryland officials to award two 2011 BioMaryland LIFE (Leading Innovative Faculty Entrepreneurs) prizes to University of Maryland Medical Center's Dr. James Gammie and to Johns Hopkins School of Medicine's Dr. Sara Sukumar. The LIFE Prize \$25,000 grants each are matched by the faculty member's university and help further research and bring new discoveries to the commercial market.

Emergent BioSolutions Protects Nation

Rockville-based biodefense company Emergent BioSolutions secured a \$1.25 billion award to supply 44.75 million doses of its signature product BioThrax to the U.S. government over a five-year period. BioThrax is the only FDA-licensed vaccine to protect against anthrax infection and, to date, has been administered to 2.6 million military personnel.

Companies Benefit from BIITC and R&D Tax Credits

This year, the Biotechnology Investment Incentive Tax Credit provided 157 Investors with \$8,076,000 of tax credit, assisting 19 Qualified Maryland Biotechnology Companies for \$19,000,000 of leveraged capital investment. The Research and Development Tax Credit was also awarded to 156 companies in the amount of \$6,000,000 and represented \$1 billion in Maryland research and development spending.



Maryland Represented at Boston BIO 2012

BioMaryland hosted a 3,600 square-foot pavilion at BIO International 2012 in Boston. 250 Maryland business representatives participated in the conference networking with 15,000 attendees from 60 countries. The BioMaryland Pavilion featured more than 30 Maryland companies highlighting the latest innovations.

MD Recognizes Biotech Award Recipients

The Maryland Biotechnology Center recognized seven companies receiving commercialization or translational research awards totaling \$1,398,370. The seven recipients are developing cancer therapies, malaria treatments, environmental and food testing biosensors and other products. NexImmune, Beta Cat Pharmaceuticals, GrayBug and PathSensors, Inc. were announced as recipients in December. They were later joined by Leukosight Inc., Sanaria Inc. and SuperNova Diagnostics Inc.



Maryland Biotechnology Center Increases B2B Activity with International Partner

Maryland Department of Business and Economic Development Secretary Christian Johansson and Paris Medicen Delegate General Francois Chevillard signed a Letter of Intent to establish a partnership between the two regions on disease research and translational medicine. The signing took place at the Bio 2012 International Convention in Boston and will involve private industry, academia and research laboratories in both Maryland and the Paris region.

Making a Difference on Many Fronts

Workforce Development

- Supported the Maryland Technology Enterprise Institute Bioprocess Scale-Up Facility with a \$200,000 Shared Resource Grant
- Co-sponsored pilot biotechnology STEM program for high school girls with Women in Technology
- Fostered innovation and entrepreneurship as speakers and mentors in ACTiVATE and INNoVATE programs

Global Leadership

- Directed Regulatory Affairs Programs positioning Maryland as the “Gateway to US Markets”
- Met with trade delegations and corporate clients from China, Russia, India, Korea, France, Finland and Spain to attract U.S. corporate headquarters to Maryland
- Led Maryland's presence at international conferences and international trade missions to Germany, France and India, resulting in MOU with Cancer Bio Sante and new business relationships for many Maryland companies

BIO Breakthroughs

Creating a World Free of AIDS

Gaithersburg-based GlycoMimetics is partnering with the International AIDS Vaccine Initiative (IAVI) and Glycosensors and Diagnostics to develop a new AIDS vaccine that will use compounds that mimic carbohydrates, called glycomimetics. The partners hope to develop carbohydrate immunogens that stimulate the creation antibodies capable of fighting HIV.

Malaria Vaccine Shows Promise

A malaria vaccine developed and manufactured by Rockville biotech Sanaria has become the first whole parasite vaccine to earn FDA approval to test in humans. The vaccine works by triggering an immune response with saliva from 1,000 irradiated mosquitos and uses the whole parasite, unlike other vaccines which only use a few parasite proteins.

MD Biotechs Advance Diabetes, Depression Treatments

Rockville-based Neuralstem received a regulatory nod to advance to phase 1b in its ongoing clinical trial of stem cell treatment for major depressive disorder. Osiris Therapeutics in Columbia reported positive results from a phase 2 clinical trial of its stem cell therapy in patients with newly-diagnosed type 1 diabetes.

Partners Advance Cancer Research

SAIC-Frederick is leading the charge to boost the success rate of new cancer drugs in human clinical testing. Through a partnership with California biotech Biomatrix, the two companies are working to improve the molecular analysis of tumor cells in cancer research by developing better processes to isolate nucleic acids from samples collected by pathologists.

Division of Marketing & Communications

The Division continues to serve as a comprehensive “one stop shop” to market Maryland’s business community. We expanded our Maryland of Opportunity business brand, and developed a number of business friendly tools, including a mobile-friendly website, online site selection database and introduced an interactive map.



Seven Wins for Business Over Baseball

The Department’s Office of Policy and Government Affairs organized seven successful outreach events during the 2011 interim session. The events provided an opportunity for Secretary Johansson and DBED leadership to connect with approximately 84 state and local elected officials from all 24 jurisdictions.

State Debuts Cyber Pulse Newsletter

Cyber Pulse is the latest in the Department’s suite of five online business communiqués distributed to more than 25,000 subscribers. The bi-monthly e-letter features articles on innovative companies, technologies, jobs, educational programs and events. The State and its partners formed a marketing consortium to promote Maryland as a cybersecurity hub, launched cybermaryland.org and debuted new social media channels on Twitter and LinkedIn.

Cyber Challenge Draws 800 Attendees

CyberMaryland joined UMBC, SAIC, the Tech Council of Maryland and the National Cybersecurity Alliance as founding sponsors of the inaugural Maryland Cyber Challenge and Conference (MDC3) at the Baltimore Convention Center. Eight six-person teams in each category – professional, college and high school – competed for \$100,000 in prize money and scholarships.

MEDA Celebrates 50 Years during Economic Development Week

A weeklong celebration recognizing State and local economic development success stories kicked off at Rocky Gap Lodge with more than 40 economic



development, business and community leaders. Events and receptions were hosted across the State, concluding with the Maryland Economic Development Association’s Fall Conference and 50th anniversary celebration at the Turf Valley Conference Center.

Workgroup Tackles Tax Credit Utilization

Recognizing the need to improve transparency and reporting on tax credit utilization, Secretary Johansson convened a workgroup to address this issue. As a result, Office of Policy and Government Affairs staff partnered with stakeholders to advance legislation that requires businesses claiming certain business tax credits to claim the tax returns electronically.

Job Creation Symposium Draws Hundreds

Hundreds of small business owners, entrepreneurs, legislators, academicians and stakeholders gathered at Governor O’Malley’s 2012 Symposium on Job Creation. The Symposium updated the business community on job creation, growth and expansion in Maryland. Panel topics



Web Tools for Business

Finance Tracker

A new online tool, Finance Tracker allows people to look up what enterprises have received grants, tax credits, equity investments and loan enhancements from DBED.

Maryland Made Easy

Maryland Made Easy just got easier with the addition of Fast Track, a tool that streamlines and expedites state permit review for projects in priority development areas.

Maryland Business Map

Maryland's business related assets on one interactive map with 90 information layers and more than 10,000 unique features including Top Employers, Jobs, Education and Public Services.

included: Improving Maryland's Business Environment; Investing in Maryland's Infrastructure and Building on Maryland's strengths; and Regulatory Reform, Startups and Innovation in Maryland.

Opportunity Knocks Profiles Entrepreneurs

No one tells the story better than Maryland entrepreneurs themselves. *Opportunity Knocks*, a monthly multi-media feature created in partnership with *Maryland Life*, profiles entrepreneurial enterprises around the state. Plus, each profile provides information on state resources supporting or promoting similar businesses or industries.

Baltimore Zoo Generates \$24M in Annual Spending

The Maryland Zoo in Baltimore – one of the State's oldest and most popular tourist attractions – annually generates 334 jobs, nearly \$24 million in total spending on goods and services, \$1.2 million in total state and local taxes and nearly \$10 million in employee income, according to an economic impact report completed by DBED.

DBED Launches Mobile-Friendly Website

The Maryland Department of Business and Economic Development in partnership with Towson University's Division of Economic and Community Outreach unveiled a mobile-friendly version of the Department's ChooseMaryland.org website. The mobile-friendly website is specifically designed for optimum performance when viewed on a device such as a smart phone, tablet, or other common mobile device.

BUSINESS MARKETING METRICS

WEB VISITORS IN 2011	916,657
MDBIZ NEWS READERS	42,740
TWITTER FOLLOWERS	7,735
PULSE E-NEWSLETTER SUBSCRIBERS	40,975
EARNED MEDIA VALUE	\$989,000
ADVERTISING REACH	18M
LEVERAGED AD DOLLARS	\$326,000

Financial Overview

FY2012 Actual Expenditures

Office of the Secretary*	4,584,267
Administration & Technology	4,283,311
Maryland Biotechnology Center	3,498,152
Biotechnology Investment Tax Credit	8,000,000
Marketing and Communications	3,328,482
Business & Enterprise Development	
Operations & Administration	13,657,194
Financing & Training Programs:	<u>25,077,758</u>
Total	38,734,952
Tourism, Film & the Arts	
Administration & Programs	1,085,999
Tourism Development	11,821,674
Maryland State Arts Council	<u>16,310,034</u>
Total	29,217,707
DBED Total	\$91,646,871

*Includes Maryland Venture Fund

Contract Awards and Procurement Activity

Contract Awards – Minority Business Enterprises (MBE)*

Total value of contracts awarded to MBEs	\$ 1,960,451
Total value of contracts awarded	\$ 5,871,881
MBE awards as percent of all contract awards	33.4%

Procurement Activity – Small Business Reserve (SBR) Program**

Total procurement payments to SBR contractors	\$ 547,922
Total procurement payments	\$5,504,937
Payments to SBR contractors as percent of all payments	9.95%

*Includes Women Business Enterprises (WBE)

**Preliminary results

Tax Credit Highlights

One Maryland (FY2012)

- 8 Certificates of Eligibility issued
- \$26.7 million in project/start-up costs
- 358 jobs created; \$24 million payroll
- 24 letters of intent received for future projects

Job Creation (FY2012)

- 22 Certificates of Eligibility issued to 11 companies
- 1,501 new jobs created
- \$84.5 million payroll

Research & Development (FY2010)

- 156 businesses certified
- \$971.9 million in R&D expenses
- \$6 million in credits awarded

Biotech Investment (FY2012)

- 19 QMBCs assisted
- 157 investor applications approved
- \$8 million in tax credits issued
- \$18.9 million leveraged

Enterprise Zone Program

- 30 Enterprise Zones
- 878 businesses to receive \$35.4 million in real property credits in FY2013
- Income tax credits totaled \$1 million

For complete program reports, visit ChooseMaryland.org

Financial Overview

Financial Assistance Projects Approved FY2012

Five flagship finance programs represented 111 projects, retained 4,852 jobs, created 2,483 new jobs and leveraged \$661 million of capital investment.

	Projects	Loan/Grant Amount	Loan Guarantee Amount	Jobs Retained	Jobs Created	Total Project Costs
MIDFA	19	\$94,837,765*	\$9,170,340	1,102	373	\$108,307,765
MSBDFA	39	\$7,210,000*	\$1,605,500	412	200	\$11,642,000
MEDAAF	28	\$13,105,683	n/a	3,076	1,492	\$475,365,523
MVF	16	\$4,049,086	n/a	217	395	\$66,150,000
PWQ	9	\$131,362	n/a	45	23	\$253,724

*Includes bond issuances and private sector loans

Additional Finance Programs:

Maryland State Arts Council Grants

- Individual Artists \$251,000
- Arts Organizations \$8,917,904
- County Arts Councils \$2,138,134

Community Development Block Grants

Provides funding to commercial and industrial economic development projects.

- 3 conditional grants totaling \$593,000 with Total Project Costs of \$3,072,700

Military/Disabled Veterans Grants

Assists military reservist and National Guard members called to active duty, service-disabled veterans, and businesses that employ or are owned by veterans.

- 5 loans totaling \$250,000 with Total Project Costs of \$313,311

MIDFA – Maryland Industrial Development Financing Authority

MSBDFA – Maryland Small Business Development Financing Authority

MEDAAF – Maryland Economic Development Assistance Authority and Fund

MVF – Maryland Venture Fund

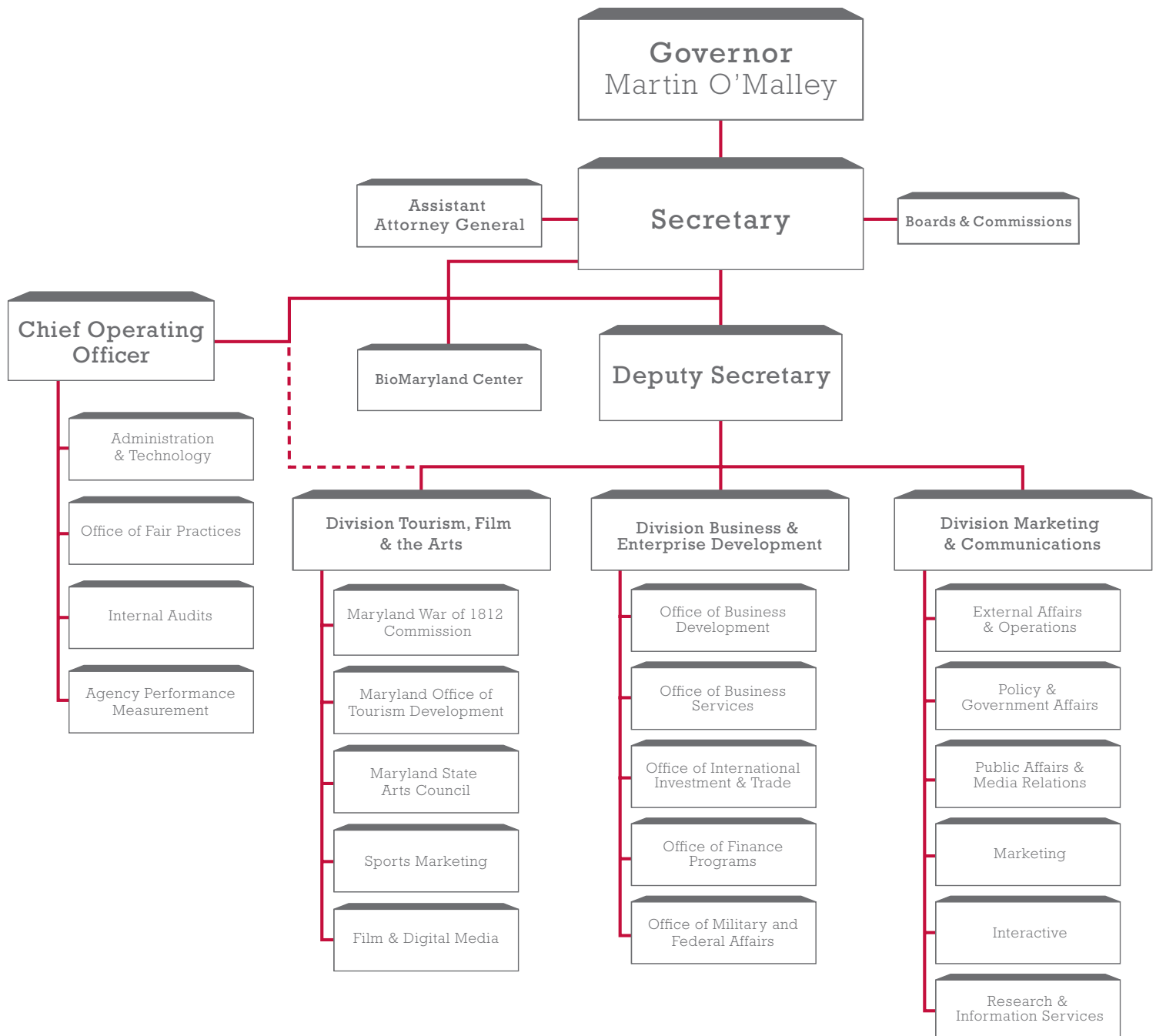
PWQ – Partnership for Workforce Quality

Program activities highlighted in this section for FY2012 do not necessarily represent actual expenses or encumbered funds in FY2012, and may also include activities encumbered in prior years and restructured transaction activity.

Organizational Chart

With 225 full time employees, the Department is organized along four primary business lines under three Assistant Secretaries and a Chief Operating Officer respectively: Business and Enterprise Development; Marketing and Communications; Tourism, Film and the Arts; and, Operations and Administration. The Maryland Biotechnology Center, Boards and Commissions, and the Assistant Attorney General report directly to Secretary Johansson. Further information on each division and employee contact details can be found at www.ChooseMaryland.org.

Maryland Department of Business & Economic Development



Sailabration

June 2012

And all I ask for is a tall ship and a star to sail her by.

John Mansfield's *Sea-Fever*

Whatever money Sailabration earned for local hotels, restaurants, stores and the like, it pales compared to the good will the event generated. An inspired kick-off, those who planned and staged the event can rest in the knowledge they successfully defended Baltimore in more ways than one. From the *Baltimore Sun*, June 19, 2012



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Christian S. Johansson, Secretary